



BUDGET WEEK UPDATE

Committee on the Budget • Majority Caucus
U.S. House of Representatives
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Summarizing budgetary issues in legislation
scheduled for the House floor

16 June 2004

Week of 14 June 2004

LEGISLATION CONSIDERED UNDER A RULE

Bill: *Energy Policy Act of 2004* (H.R. 4503).

Committee: Energy and Commerce

Summary: This bill amends existing law and establishes new programs relating to energy regulation, production, consumption, and research and development. It also contains tax provisions that would enhance and create credits for the use and development of energy-efficient technologies; provide faster recovery of assets and greater credits for businesses that provide energy; and enhance and create deductions and tax credits for energy production. The bill is similar to both H.R. 6, as passed by the House in the 1st session of the 108th Congress, and the conference report on that bill.

Cost: At the time of publication, a formal cost estimate was not available. The bill is expected, however, to cost \$197 million in fiscal year 2004, \$1.919 billion in fiscal year 2005, and \$7.233 billion over the fiscal year 2005-09 period. It is expected to reduce revenue by approximately \$17 billion over the 2005-09 period, and by approximately \$23.23 billion over the 2005-13 period. The revenue figures represent a highly preliminary estimate based on previous cost estimates, and do not reflect changes due to the later enactment date for this legislation.

Budget Act: This bill violates section 302(f) because it increases spending over the allocation of budget authority to the Energy and Commerce Committee in fiscal years 2004, 2005, and the 2005-09. That section of the Budget Act, however, applies only to reported bills. Because this measure has not been reported by any committee, it will not be subject to this point of order. The bill would not reduce revenue below the floor allowed in the budget resolution currently in force (S.Con.Res. 95).

Bill: *U.S. Refinery Revitalization Act of 2004* (H.R. 4517). 

Committee: Energy and Commerce

Summary: This bill directs the Secretary of Energy to designate as a Refinery Revitalization Zone any area that: 1) has experienced mass layoffs at manufacturing facilities or contains an idle refinery; and 2) has an unemployment rate of at least 20 percent above the national average, as set forth at the time of designation. The designation allows expedited regulatory review by the Department of Energy. The bill identifies the Department of Energy as lead agency for coordinating these Federal authorizations and related environmental reviews.

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PLEASE NOTE: This document addresses budgetary issues only. It should not be taken to address support or opposition on any other grounds. A green flag indicates no serious budgetary or budget compliance concerns. A yellow flag indicates moderate or potential problems. A red flag indicates serious problems. *Also note: Floor schedules and legislative details are subject to change after publication, and conference reports may be brought up at any time.*

This document was prepared by the majority staff of the Committee on the Budget, U.S. House of Representatives. It has not been approved by the full committee and therefore may not reflect the views of all the committee's members.

Cost: At the time of publication, a cost estimate was not available; but enacting this bill is not expected to increase direct spending – spending not subject to appropriations – or reduce revenue.

Budget Act: This bill is not expected to violate the Congressional Budget Act.


Bill: ***Renewable Energy Project Siting Improvement Act of 2004*** (H.R. 4513). 

Committee: Resources

Summary: This bill provides that Federal agencies – when authorizing a renewable energy project and preparing an environmental assessment or impact statement under the National Environmental Policy Act – are not required to identify alternative project locations or actions other than the proposed action and the alternative of no action. Similarly, agencies are not required to analyze the environmental effects of alternative locations or actions other than those submitted by the project proponent. The bill does require agencies, in preparing the environmental assessment or impact statement, to identify and analyze solely the environmental effects and potential mitigation measures of the proposed action and the “no-action” alternative.

Cost: No cost estimate was available for this measure, but it is not expected to increase direct spending or reduce revenue.

Budget Act: This measure is not expected to violate any provisions of the Congressional Budget Act.

Bill: ***Arctic Coastal Plain Domestic Energy Security and Abandoned Mine Lands Reclamation Reform Act of 2004*** (H.R. 4529). 

Committee: Resources

Summary: The bill directs the Secretary of the Interior to implement an oil and gas leasing program for a portion of the coastal plain of the Arctic National Wildlife Reserve. The Federal Government charges oil producers royalties for drilling on Federal land, and would apply such charges under this measure as well. These royalties are then to be split with the State of Alaska.

Cost: The measure, by charging royalties on new oil production activities, increases offsetting receipts to the Treasury by \$2.1 billion over 5 years. Offsetting receipts are categorized as negative spending rather than revenue. An additional \$2.1 billion is transferred to Alaska, its share of the royalties. The transfer of these State royalties is not classified as having any Federal budget impact.

Budget Act: Though no formal estimate has been completed on this measure, it is not expected to violate the Congressional Budget Act.

Bill: ***Homeland Security Appropriations Act for Fiscal Year 2005*** (H.R. 4567).

Committee: Appropriations

Summary: This bill appropriates budget authority for the operations and activities of the Department of Homeland Security in fiscal year 2005. These include funding for the Office of Domestic Preparedness, Firefighters, and Emergency Management; border protection and related activities; the U.S. Coast Guard’s homeland security activities; programs related to science and technology, such as funds targeted to research, development, and deployment of innovative technologies; programs protecting the Nation’s critical infrastructure and key assets; the U.S. Secret Service; Disaster Relief; and textile transshipment.

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Cost: No cost estimate has been released on this measure by the Committee on Appropriations. In addition, as of the time of the preparation of this *Budget Week*, no suballocations of budget authority had been formally issued by that committee. Those suballocations are expected to be reported later in the week, prior to the consideration of this measure.

Budget Act: Because no formal estimate has been received, and no suballocations have been made pursuant to the Congressional Budget Act, it is not possible to determine whether this appropriations act complies with the relevant points of order under the Budget Act.
(Please see the Budget Committee's forthcoming *Appropriations Update* on this bill.)

Bill: ***Department of the Interior and Related Agencies Appropriations Act for Fiscal Year 2005*** (H.R. 4568).

Committee: Appropriations

Summary: This bill provides appropriations for the Interior Department and certain agencies in the Departments of Agriculture [USDA], Energy [DOE], and Health and Human Services [HHS]. The bill includes agencies within Interior that manage land and other natural resource programs, and the Bureau of Indian Affairs. It also includes funding for the Forest Service in the USDA. It includes research and development programs, the Naval Petroleum and Oil Shale Reserves, and the Strategic Petroleum Reserve in DOE. It funds the Indian Health Service in HHS. In addition, it includes related agencies such as the Smithsonian Institution, the National Gallery of Art, the John F. Kennedy Center for the Performing Arts, the National Endowment for the Arts, the National Endowment for the Humanities, and the Holocaust Memorial Council.

The 2005 budget resolution, S. Con. Res. 95, included a reserve fund that allows the Budget Committee Chairman, under certain conditions, to increase the Appropriations Committee's allocation for Wildland Fire Suppression activities. For fiscal years 2004 and 2005, \$500 million will be made available for this purpose, after the proper adjustments are made by the Chairman of the Budget Committee.

Cost: No cost estimate has been released on this measure by the Committee on Appropriations. In addition, as of the time of the preparation of this Budget Week, no suballocations of budget authority had been formally issued by that committee. Those suballocations are expected to be reported later in the week, prior to the consideration of this measure.

Budget Act: Because no formal estimate has been received, and no suballocations have been made pursuant to the Congressional Budget Act, it is not possible to determine whether this appropriations act complies with the relevant points of order under the Budget Act.
(Please see the Budget Committee's forthcoming *Appropriations Update* on this bill.)

Bill: ***American Jobs Creation Act of 2004*** (H.R. 4520).

Committee: Ways and Means

Summary: This bill repeals the extraterritorial income [ETI] exclusion – generally, an exclusion from taxable income of a portion of export-related income – and replaces it with a 3-percent reduction in the corporate tax rate (to 32 percent from 35 percent) for domestic manufacturing income.

The bill also: provides additional tax relief to manufacturers and small businesses; reforms and simplifies international tax rules; grants a 1-year tax holiday during which U.S. companies could repatriate dividends from foreign subsidiaries at a rate of 5.25 percent (rather than 35 percent); extends for 2 years a number of expiring tax provisions; allows taxpayers a deduction for State sales taxes; strengthens rules on tax shelters and

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penalties; repeals the tobacco quota program and makes payments to quota holders; and suspends temporarily customs duties on specified goods.

Cost: An official estimate of the budget impact of this bill was not available.

Budget Act: Due to the absence of an official estimate of this bill, the Budget Committee is not able to determine whether it complies with the Budget Act.